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Title of Document Transmitted:	**BRIEF OF APPELLANT**
Applicant:	George R. Hood
Serial No.:	09/845,924
Filed:	April 30, 2001
Group Art Unit:	3627
Title:	AMORTIZATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM
Our Ref. No.:	9435

Please charge all fees to Deposit Account No. 14-0225 of NCR Corporation, the assignee of the present application.

By: ______________________
Name: George H. Gates
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Due Date: November 14, 2005

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	George Robert Hood	Examiner:	Andrew J. Rudy
Serial No.:	09/845,924	Group Art Unit:	3627
Filed:	April 30, 2001	Docket:	9435
Title:	AMORTIZATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM		

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By: [signature]
Name: George H. Gates

MAIL STOP APPEAL BRIEF - PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

We are transmitting herewith the attached:

☒ Transmittal sheet, in duplicate, containing a Certificate of Mailing or Transmission under 37 CFR 1.8.
☒ Brief of Appellant(s) with Appendices.
☒ Charge the Fee for the Brief of Appellant(s) in the amount of $500.00 to the Deposit Account.

Please consider this a PETITION FOR EXTENSION OF TIME for a sufficient number of months to enter these papers, if appropriate.

Please charge all fees to Deposit Account No. 14-0225 of NCR Corporation (the assignee of the present application). A duplicate of this paper is enclosed.

Customer Number 22462
GATES & COOPER LLP
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By: [signature]
Name: George H. Gates
Reg. No.: 33,500
GHG/mrj

Due Date: November 14, 2005

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re Application of:	
Inventor: George Hood	Examiner: Andrew J. Rudy
Serial #: 09/845,924	Group Art Unit: 3627
Filed: April 30, 2001	Appeal No.: ________
Title: AMORTIZATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM	

BRIEF OF APPELLANT

MAIL STOP APPEAL BRIEF - PATENTS
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

In accordance with 37 CFR §41.37, Appellant's attorney hereby submits the Brief of Appellant on appeal from the final rejection in the above-identified application as set forth in the Office Action dated June 14, 2005.

Please charge the amount of $500 to cover the required fee for filing this Appeal Brief as set forth under 37 CFR §41.37(a)(2) and 37 CFR §41.20(b)(2) to Deposit Account No. 14-0225 of NCR Corporation, the assignee of the present application.

I. REAL PARTY IN INTEREST

The real party in interest is NCR Corporation, the assignee of the present application.

II. RELATED APPEALS AND INTERFERENCES

There are related appeals in the following co-pending and commonly-assigned patent applications:

Application Serial No. 10/016,452, filed on December 10, 2001, by Brian J. Wasserman et al., entitled DYNAMIC EVENT SELECTION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9618 (30145.419US01);

Application Serial No. 10/016,779, filed on December 10, 2001, by Brian J. Wasserman et al., entitled PARALLEL SELECTION PROCESSING FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9620 (30145.416US01);

Application Serial No. 09/943,059, filed on August 21, 2001, by Paul H. Phibbs, Jr., entitled ALLOCATED BALANCES IN A NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9512 (30145.405USU1);

Application Serial No. 09/608,355, filed on June 29, 2000, by George R. Hood et al., entitled ADVANCED AND BREAKTHROUGH NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9006 (30145.401US01);

Application Serial No. 09/610,646, filed on June 29, 2000, by George R. Hood et al., entitled BASIC AND INTERMEDIATE NET INTEREST REVENUE IMPLEMENTATIONS FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 8980 (30145.397US01);

Application Serial No. 09/608,682, filed on June 29, 2000, by George R. Hood, entitled RISK PROVISION IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9015 (30145.392US01);

Application Serial No. 09/608,681, filed on June 29, 2000, by George R. Hood et al., entitled OTHER REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A

RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9015 (30145.391US01);

Application Serial No. 09/943,060, filed on August 30, 2001, by Paul H. Phibbs, Jr., entitled CAPITAL ALLOCATION IN A NET INTEREST REVENUE IMPLEMENTATION FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9391 (30145.404USU1);

Application Serial No. 09/845,461, filed on April 30, 2001, by George Robert Hood, entitled TAX ADJUSTMENT FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9522 (30145.415US01); and

Application Serial No. 09/845,851, filed on April 30, 2001, by George Robert Hood, entitled SHAREHOLDER VALUE ADD FOR FINANCIAL PROCESSING IN A RELATIONAL DATABASE MANAGEMENT SYSTEM, attorney's docket number 9511 (30145.421US01); and

III. STATUS OF CLAIMS

Claims 1-18 are pending in the application.

Claims 1-18 were rejected under 35 U.S.C. §103(a) as being unpatentable over Price et al., "College Accounting, Seventh Edition," (Price) in view of Official Notice.

Claims 1-18 are being appealed.

IV. STATUS OF AMENDMENTS

No amendments have been made subsequent to the final Office Action.

V. SUMMARY OF THE INVENTION

Appellant's independent claims 1, 7 and 13 are generally directed to a method, system and article of manufacture for performing financial processing in a computer.

Independent claim 1 recites a method of performing financial processing in a computer (100). (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 6, lines 5-26

referring to 100, 102, 104 and 106 in FIG. 1; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) The method includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 7, line 20 through page 8, line 12 referring to 202, 204 and 206 in FIG. 2; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) The method also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

$$
\begin{aligned}
\text{Profit } (a_i) \quad = \quad & \text{Net Interest Revenue (NIR) } (a_i) \\
+ \quad & \text{Other Revenue (OR) } (a_i) \\
- \quad & \text{Direct Expense (DE) } (a_i) \\
- \quad & \text{Indirect Expense (IE) } (a_i) \\
- \quad & \text{Risk Provision (RP) } (a_i).
\end{aligned}
$$

for an account a_i. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 7, line 20 through page 11, line 22 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) In addition, the profitability calculations (200) include one or more amortization calculations in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), and the amortization calculations amortize the Other Revenue, Direct Expense, Indirect Expense, or Risk Provision over a plurality of periods within a term for the account a_i. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 12, line 14 through page 19, line 4; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.)

Independent claim 7 recites a system for financial processing, wherein the system includes a computer (100) and logic performed by the computer (100). (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 6, lines 5-26 referring to 100, 102, 104 and 106 in

FIG. 1; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) The logic includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 7, line 20 through page 8, line 12 referring to 202, 204 and 206 in FIG. 2; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) The logic also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

$$
\begin{aligned}
\text{Profit}(a_i) \quad = \quad & \text{Net Interest Revenue (NIR)}(a_i) \\
+ \quad & \text{Other Revenue (OR)}(a_i) \\
- \quad & \text{Direct Expense (DE)}(a_i) \\
- \quad & \text{Indirect Expense (IE)}(a_i) \\
- \quad & \text{Risk Provision (RP)}(a_i).
\end{aligned}
$$

for an account a_i. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 7, line 20 through page 11, line 22 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) In addition, the profitability calculations (200) include one or more amortization calculations in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), and the amortization calculations amortize the Other Revenue, Direct Expense, Indirect Expense, or Risk Provision over a plurality of periods within a term for the account a_i. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 12, line 14 through page 19, line 4; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.)

Independent claim 13 is directed to an article of manufacture embodying logic for performing financial processing in a computer (100). (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 6, lines 5-26 referring to 100, 102, 104 and 106 in FIG. 1; and page

20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) The logic includes accessing account, event and organization attributes (202, 204, 206) from a database (106) accessible by the computer (100), wherein: (1) the account attributes (202) comprise data about accounts being measured, (2) the event attributes (204) comprise data about account-related transactions, and (3) the organization attributes (206) comprise data about the organization's financial status. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 7, line 20 through page 8, line 12 referring to 202, 204 and 206 in FIG. 2; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) The logic also includes performing one or more profitability calculations (200) in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), as well as one or more profit factors (208) and one or more rules (210), wherein the profitability calculations (200) include:

$$\begin{aligned}
\text{Profit } (a_i) \quad = \quad & \text{Net Interest Revenue (NIR) } (a_i) \\
+ \quad & \text{Other Revenue (OR) } (a_i) \\
- \quad & \text{Direct Expense (DE) } (a_i) \\
- \quad & \text{Indirect Expense (IE) } (a_i) \\
- \quad & \text{Risk Provision (RP) } (a_i).
\end{aligned}$$

for an account a_i. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 7, line 20 through page 11, line 22 referring to 200, 202, 204, 206, 208 and 210 in FIG. 2; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.) In addition, the profitability calculations (200) include one or more amortization calculations in the computer (100) using the account, event and organization attributes (202, 204, 206) accessed from the database (106), and the amortization calculations amortize the Other Revenue, Direct Expense, Indirect Expense, or Risk Provision over a plurality of periods within a term for the account a_i. (See, page 3, lines 2-22; page 4, line 11 through page 6, line 2; page 12, line 14 through page 19, line 4; and page 20, line 4 through page 22, line 19 referring to 314 in FIG. 3.)

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

1. Whether claims 1-18 are obvious under 35 U.S.C. §103(a) over Price et al., "College Accounting, Seventh Edition," (Price) in view of Official Notice.

VII. ARGUMENTS

A. The Office Action Rejections

In item (2) of the Office Action, claims 1-18 were rejected under 35 U.S.C. §103(a) as being unpatentable over Price et al., "College Accounting, Seventh Edition," (Price) in view of Official Notice.

Appellant's attorney respectfully traverses these rejections.

B. Appellant's Independent Claims

Independent claims 1, 7 and 13 are generally directed to a method, system and article of manufacture for performing financial processing in a computer. Claim 1 is representative, and comprises the steps of:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status; and

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, results from the amortization calculations, as well as one or more profit factors and one or more rules, wherein the profitability calculations comprise:

$$
\begin{aligned}
\text{Profit } (a_i) \quad = \quad & \text{Net Interest Revenue (NIR) } (a_i) \\
+ \quad & \text{Other Revenue (OR) } (a_i) \\
- \quad & \text{Direct Expense (DE) } (a_i) \\
- \quad & \text{Indirect Expense (IE) } (a_i) \\
- \quad & \text{Risk Provision (RP) } (a_i).
\end{aligned}
$$

for an account a_i, wherein the profitability calculations include one or more amortization calculations in the computer using the account, event and organization attributes accessed from the database, and the amortization calculations amortize the Other Revenue, Direct Expense, Indirect Expense, or Risk Provision over a plurality of periods within a term for the account a_i.

C. The Price Reference

Price is a college accounting textbook that describes accounting concepts and principles. The portions cited describe analyzing business transactions including the accounting cycle, accounting for assets and liabilities including accounts receivable and uncollectible accounts, and responsibility and cost accounting including departmentalized profit and cost centers.

D. Arguments Directed To The First Grounds for Rejection: Whether Claims 1-18 Are Obvious Under 35 U.S.C. §103(a) Over Price In View Of Official Notice.

1. Claims 1, 7 and 13

The Appellant's invention, as recited in independent claims 1, 7 and 13 is patentable over the references, because it contains limitations not taught by the references. Specifically, the references do not teach or suggest the specific combination of limitations found in Appellant's claims.

The Office Action, however, asserts the following:

> 2. Claims 1-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Price in view of Official Notice.
>
> Applicant is directed towards the previous Office Action, paragraph 4, regarding Price, in view of Official Notice. Applicant's March 21, 2005 REMARKS have been reviewed, but are not convincing. Applicant's profitability calculations are common knowledge variances for defining profitability calculations.
>
> Applicant's attempt at traversing the Official Notice findings as stated in the previous Office Action mailed November 22, 2004 is inadequate. Adequate traversal is a two step process. First, Applicant must state their traversal on the record. Second, and in accordance with 37 C.F.R. § 1.111(b) which requires Applicant to specifically point out the supposed errors in the Office Action, Applicant must state why the Office Action statements are not to be considered common knowledge or well known in the art.
>
> In this application, Applicant has clearly not met step (1) as not traversal of Official Notice has been taken. Second, Applicant has failed step (2) since they have failed to argue why the Official Notice statements are not to be considered common knowledge or well known in the art. Because Applicant's traversal is inadequate, the Official Notice, e.g. common knowledge, statements are taken to be admitted as prior art. See, MPEP § 2144.03

The previous Office Action asserted the following:

> Claims 1-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over Price et al. "College Accounting, Seventh Edition" (hereafter "Price")
>
> Price discloses, e.g. pgs 28-41, 529, 531, 966-982 (Fig. 27-5), a method measuring profit based on the factors of net interest revenue, other revenues (Fig. 27-5, line 4, "Operating Revenues"), direct expenses (Fig. 27-5, line 22, "Direct Expenses"), indirect expenses (Fig. 27-5, line 30, "Indirect Expenses"), and risk (Fig. 27-5, line 6, "Less Sales Returns and Allowances"), all set up to take advantage of flexible business rules.
>
> Official Notice is taken that performing financial processing using computer software is common knowledge in the art.
>
> To have provided business rules to calculate known variations of one of the factors, e.g., earnings on allocated equity, would have been obvious to one of ordinary skill in the art. To have provided a method of performing financial processing for an account using software for a computer measuring profit based on the factors of net interest revenue, other revenues, direct expenses, indirect expenses and risk, to calculate known variations of one of the factors, e.g. calculations over a period of time periods (i.e., daily, weekly, monthly), would have been obvious to one of ordinary skill in the art. Doing such would incorporate common knowledge data along with common knowledge software.
>
> Applicant's August 13, 2004 and February 11, 2004 REMARKS have been reviewed, but are not moot in light of the new rejection. In short, Applicant's profitability calculations are common knowledge variance for defining total income less total expenses. The account, event and organization attributes, e.g., future losses, direct and indirect expenses, claimed have been common knowledge criteria used within the business community for a period of time far exceeding Applicant's filing date. To have incorporated such common knowledge in the profitability calculations of Price, as modified by Official Notice, would have been obvious to one of ordinary skill in the art.

Appellant's attorney respectfully disagrees.

Appellant's attorney does not traverse Official Notice, but does traverse the assertion that Price when combined with Official Notice teaches Appellant's claims. Instead, Price merely provides a college accounting textbook that describes general accounting concepts and principles, while Official Notice merely states that performing financial processing using computer software is common knowledge in the art.

According to the Office Action, to have provided a method of performing financial processing for an account using software for a computer measuring profit based on the factors of

net interest revenue, other revenues, direct expenses, indirect expenses and risk, to calculate known variations of one of the factors, e.g. calculations over a period of time periods (i.e., daily, weekly, monthly), would have been obvious to one of ordinary skill in the art, and doing such would incorporate common knowledge data along with common knowledge software.

But, such an assertion is unsupported by the evidence, and merely comprises hindsight by the Office Action. Under M.P.E.P. §2141.01, "[t]he references must be viewed without the benefit of impermissible hindsight vision afforded by the claimed invention."

For example, the combination of Price and Official Notice does not teach or suggest Appellant's specific profitability calculations that include "one or more amortization calculations in the computer using account, event and organization attributes accessed from a database, wherein the amortization calculations amortize Other Revenue, Direct Expense, Indirect Expense, or Risk Provision elements of a specific Profitability Calculation over a plurality of periods within a term for an account."

Instead, the Office Action only makes a general reference to "calculations over a period of time periods" without citing any specific location within Price as teaching the limitations of Appellant's claims, or explaining how the mere computer-implemented financial processing of Official Notice would accomplish these limitations. Neither Price nor Official Notice teaches or suggests the limitations, and thus the combination does not teach or suggest the limitations.

Under M.P.E.P. §§ 2142 and 2143.03 "[t]o establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." In re Wilson, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970)." This has not been done in the instant application,.

The Office Action rejections of the dependent claims are even more cursory than the Office Action rejections of the independent claims. The dependent claims recite specific methods for amortization calculations, but these methods remain unaddressed by the Office Action, except for a general assertion of unpatentability.

Thus, Appellant's attorney submits that the independent claims are allowable over Price and Official Notice. Further, the dependent claims are submitted to be allowable over Price and

Official Notice in the same manner, because they are dependent on independent claims, and because they contain all the limitations of the independent claims. In addition, the dependent claims recite additional novel elements not shown by Price and Official Notice.

2. Claims 2, 8 and 14

Claims 2, 8 and 14 recite that the amortization calculations are selected from a group comprising cash basis, straight-line, declining balance and interest methods.

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

3. Claims 3, 9 and 15

Claims 3, 9 and 15 recite that the straight-line method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

if $k < n$, then:

$$\text{Amortized Amount} = \text{Adj.Amt}_1 + (k-1) * (\text{Amt}/n)$$

$$\text{Unamortized amount} = (n-k) * (\text{Amt}/n) + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

if $k = n$, then:

$$\text{Amortized Amount} = \text{Amt}$$

$$\text{Unamortized amount} = 0$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt	=	an initial amount to be amortized,
Adj.Amt_1	=	actual amount amortized in first period,
Life(Amt)	=	number of amortization terms,
$\text{AM}_k(\text{Amt})$	=	amortization amount for term k, such that:

$$= \quad Amt \qquad \text{if } k = 0$$

$$= \quad \frac{Amt}{Life} \qquad \text{if life} \geq k \geq 1$$

$$= \quad 0 \qquad \text{if } k > \text{life.}$$

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

4. Claims 4, 10 and 16

Claims 4, 10 and 16 recite that the declining balance method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = k * (Amt_1 + Amt_k)/2$$

$$\text{Unamortized Amount} = Amt - [k * (Amt_1 + Amt_k)/2]$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k.

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

5. Claims 5, 11 and 17

Claims 5, 11 and 17 recite that the declining balance method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = k * (Amt_1 + Amt_k)/2 - (Amt_1 - Adj.Amt_1)$$

$$\text{Unamortized Amount} = \text{Amt} - [k * (\text{Amt}_1 + \text{Amt}_k)/2] + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that k = 1, …, n,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k, and
Adj.Amt_1	=	actual amount amortized in a first period.

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

6. <u>Claims 6, 12 and 18</u>

Claims 6, 12 and 18 recite that the interest method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = \left[\frac{\text{Amt} * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

$$\text{Unamortized Amount} = \text{Amt} - \left[\frac{\text{Amt} * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that k = 1, …, n,
r_a	=	annual interest rate,
p	=	periodicity of update,
r	=	period rate or r_a/p,
Amt	=	amount to be amortized,

Amt_1 = amount amortized in a first amortization period, and

$Adj.Amt_1$ = actual amount amortized in a first period.

The Office Action rejects these claims only generally, i.e., on the same basis as the independent claims, without citing any specific location within the reference as teaching these limitations. Appellant's attorney disagrees with this analysis, and submits that nowhere does the reference teach or suggest the limitations of these claims.

VIII. CONCLUSION

In light of the above arguments, Appellant's attorney respectfully submits that the cited references do not anticipate nor render obvious the claimed invention. More specifically, Appellant's claims recite novel physical features which patentably distinguish over any and all references under 35 U.S.C. §§ 102 and 103.

As a result, a decision by the Board of Patent Appeals and Interferences reversing the Examiner and directing allowance of the pending claims in the subject application is respectfully solicited.

Respectfully submitted,

GATES & COOPER LLP
Attorneys for Appellant

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Los Angeles, California 90045
(310) 641-8797

Date: November 11, 2005

By: ______________________
Name: George H. Gates
Reg. No.: 33,500

GHG/mrj
Enclosures: Claims Appendix
Evidence Appendix
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CLAIMS APPENDIX

1. (ORIGINAL) A method of performing financial processing in a computer, comprising:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status; and

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, results from the amortization calculations, as well as one or more profit factors and one or more rules, wherein the profitability calculations comprise:

$$\begin{aligned} \text{Profit } (a_i) \quad = \quad & \text{Net Interest Revenue (NIR) } (a_i) \\ + \quad & \text{Other Revenue (OR) } (a_i) \\ - \quad & \text{Direct Expense (DE) } (a_i) \\ - \quad & \text{Indirect Expense (IE) } (a_i) \\ - \quad & \text{Risk Provision (RP) } (a_i). \end{aligned}$$

for an account a_i, wherein the profitability calculations include one or more amortization calculations in the computer using the account, event and organization attributes accessed from the database, and the amortization calculations amortize the Other Revenue, Direct Expense, Indirect Expense, or Risk Provision over a plurality of periods within a term for the account a_i.

2. (ORIGINAL) The method of claim 1, wherein the amortization calculations are selected from a group comprising cash basis, straight-line, declining balance and interest methods.

3. (ORIGINAL) The method of claim 2, wherein the straight-line method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

if $k < n$, then:

$$\text{Amortized Amount} = \text{Adj.Amt}_1 + (k-1) * (\text{Amt}/n)$$

$$\text{Unamortized amount} = (n\text{-}k) * (\text{Amt}/n) + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

if $k = n$, then:

Amortized Amount = Amt

Unamortized amount = 0

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that k = 1, ..., n,
Amt	=	an initial amount to be amortized,
$Adj.Amt_1$	=	actual amount amortized in first period,
Life(Amt)	=	number of amortization terms,
$AM_k(Amt)$	=	amortization amount for term k, such that:

$$AM_k(Amt) = \begin{cases} Amt & \text{if } k = 0 \\ \dfrac{Amt}{Life} & \text{if } life \geq k \geq 1 \\ 0 & \text{if } k > life. \end{cases}$$

4. (ORIGINAL) The method of claim 2, wherein the declining balance method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = k * (Amt_1 + Amt_k)/2$$

$$\text{Unamortized Amount} = Amt - [k * (Amt_1 + Amt_k)/2]$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that k = 1, ..., n,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k.

5. (ORIGINAL) The method of claim 2, wherein the declining balance method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = k * (Amt_1 + Amt_k)/2 - (Amt_1 - Adj.Amt_1)$$

$$\text{Unamortized Amount} = Amt - [k * (Amt_1 + Amt_k)/2] + (Amt_1 - Adj.Amt_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k, and
$Adj.Amt_1$	=	actual amount amortized in a first period.

6. (ORIGINAL) The method of claim 2, wherein the interest method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = \left[\frac{Amt * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (Amt_1 - Adj.Amt_1)$$

$$\text{Unamortized Amount} = Amt - \left[\frac{Amt * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (Amt_1 - Adj.Amt_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
r_a	=	annual interest rate,
p	=	periodicity of update,
r	=	period rate or r_a/p,
Amt	=	amount to be amortized,
Amt_1	=	amount amortized in a first amortization period, and
$Adj.Amt_1$	=	actual amount amortized in a first period.

7. (ORIGINAL) A system for financial processing, comprising:

a computer;

logic, performed by the computer, for:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data

about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status; and

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, results from the amortization calculations, as well as one or more profit factors and one or more rules, wherein the profitability calculations comprise:

$$\begin{aligned} \text{Profit } (a_i) \quad = \quad & \text{Net Interest Revenue (NIR) } (a_i) \\ + \quad & \text{Other Revenue (OR) } (a_i) \\ - \quad & \text{Direct Expense (DE) } (a_i) \\ - \quad & \text{Indirect Expense (IE) } (a_i) \\ - \quad & \text{Risk Provision (RP) } (a_i). \end{aligned}$$

for an account a_i, wherein the profitability calculations include one or more amortization calculations in the computer using the account, event and organization attributes accessed from the database, and the amortization calculations amortize the Other Revenue, Direct Expense, Indirect Expense, or Risk Provision over a plurality of periods within a term for the account a_i.

8. (ORIGINAL) The system of claim 7, wherein the amortization calculations are selected from a group comprising cash basis, straight-line, declining balance and interest methods.

9. (ORIGINAL) The system of claim 8, wherein the straight-line method comprises logic for calculating an Unamortized Amount and an Amortized Amount, such that:

if $k < n$, then:

$$\text{Amortized Amount} = \text{Adj.Amt}_1 + (k-1) * (\text{Amt}/n)$$

$$\text{Unamortized amount} = (n-k) * (\text{Amt}/n) + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

if $k = n$, then:

$$\text{Amortized Amount} = \text{Amt}$$

$$\text{Unamortized amount} = 0$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt	=	an initial amount to be amortized,
$Adj.Amt_1$	=	actual amount amortized in first period,
Life(Amt)	=	number of amortization terms,
$AM_k(Amt)$	=	amortization amount for term k, such that:

$$AM_k(Amt) = \begin{cases} Amt & \text{if } k = 0 \\ \dfrac{Amt}{Life} & \text{if life} \geq k \geq 1 \\ 0 & \text{if } k > \text{life.} \end{cases}$$

10. (ORIGINAL) The system of claim 8, wherein the declining balance method comprises logic for calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = k * (Amt_1 + Amt_k)/2$$

$$\text{Unamortized Amount} = Amt - [k * (Amt_1 + Amt_k)/2]$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k.

11. (ORIGINAL) The system of claim 8, wherein the declining balance method comprises logic for calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = k * (Amt_1 + Amt_k)/2 - (Amt_1 - Adj.Amt_1)$$

$$\text{Unamortized Amount} = Amt - [k * (Amt_1 + Amt_k)/2] + (Amt_1 - Adj.Amt_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began,

		such that $k = 1, \ldots, n$,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k, and
$Adj.Amt_1$	=	actual amount amortized in a first period.

12. (ORIGINAL) The system of claim 8, wherein the interest method comprises logic for calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = \left[\frac{Amt * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (Amt_1 - Adj.Amt_1)$$

$$\text{Unamortized Amount} = Amt - \left[\frac{Amt * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (Amt_1 - Adj.Amt_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
r_a	=	annual interest rate,
p	=	periodicity of update,
r	=	period rate or r_a/p,
Amt	=	amount to be amortized,
Amt_1	=	amount amortized in a first amortization period, and
$Adj.Amt_1$	=	actual amount amortized in a first period.

13. (ORIGINAL) An article of manufacture embodying logic for performing financial processing in a computer, comprising:

(a) accessing account, event and organization attributes from a database accessible by the computer, wherein: (1) the account attributes comprise data about accounts being measured, (2) the event attributes comprise data about account-related transactions, and (3) the organization attributes comprise data about the organization's financial status; and

(b) performing one or more profitability calculations in the computer using the account, event and organization attributes accessed from the database, results from the amortization

calculations, as well as one or more profit factors and one or more rules, wherein the profitability calculations comprise:

Profit (a_i)	=	Net Interest Revenue (NIR) (a_i)
	+	Other Revenue (OR) (a_i)
	-	Direct Expense (DE) (a_i)
	-	Indirect Expense (IE) (a_i)
	-	Risk Provision (RP) (a_i).

for an account a_i, wherein the profitability calculations include one or more amortization calculations in the computer using the account, event and organization attributes accessed from the database, and the amortization calculations amortize the Other Revenue, Direct Expense, Indirect Expense, or Risk Provision over a plurality of periods within a term for the account a_i.

14. (ORIGINAL) The article of manufacture of claim 13, wherein the amortization calculations are selected from a group comprising cash basis, straight-line, declining balance and interest methods.

15. (ORIGINAL) The article of manufacture of claim 14, wherein the straight-line method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

if $k < n$, then:

$$\text{Amortized Amount} = \text{Adj.Amt}_1 + (k-1) * (\text{Amt}/n)$$

$$\text{Unamortized amount} = (n\text{-}k) * (\text{Amt}/n) + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

if $k = n$, then:

$$\text{Amortized Amount} = \text{Amt}$$

$$\text{Unamortized amount} = 0$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt	=	an initial amount to be amortized,
Adj.Amt_1	=	actual amount amortized in first period,
Life(Amt)	=	number of amortization terms,

$AM_k(Amt)$	=	amortization amount for term k, such that:	
	=	Amt	if $k = 0$
	=	$\frac{Amt}{Life}$	if $life \geq k \geq 1$
	=	0	if $k > life$.

16. (ORIGINAL) The article of manufacture of claim 14, wherein the declining balance method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

Amortized Amount $= k * (Amt_1 + Amt_k)/2$

Unamortized Amount $= Amt - [k * (Amt_1 + Amt_k)/2]$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k.

17. (ORIGINAL) The article of manufacture of claim 14, wherein the declining balance method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

Amortized Amount $= k * (Amt_1 + Amt_k)/2 - (Amt_1 - Adj.Amt_1)$

Unamortized Amount $= Amt - [k * (Amt_1 + Amt_k)/2] + (Amt_1 - Adj.Amt_1)$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
Amt_1	=	amount amortized in a first amortization period, and
Amt_k	=	amount amortized in period k, and
$Adj.Amt_1$	=	actual amount amortized in a first period.

18. (ORIGINAL) The article of manufacture of claim 14, wherein the interest method comprises calculating an Unamortized Amount and an Amortized Amount, such that:

$$\text{Amortized Amount} = \left[\frac{\text{Amt} * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

$$\text{Unamortized Amount} = \text{Amt} - \left[\frac{\text{Amt} * r}{(1+r)^n - 1} * \frac{(1+r)^k - 1}{r}\right] + (\text{Amt}_1 - \text{Adj.Amt}_1)$$

wherein:

n	=	number of terms in amortization period,
k	=	number of terms elapsed since amortization began, such that $k = 1, \ldots, n$,
r_a	=	annual interest rate,
p	=	periodicity of update,
r	=	period rate or r_a/p,
Amt	=	amount to be amortized,
Amt_1	=	amount amortized in a first amortization period, and
Adj.Amt_1	=	actual amount amortized in a first period.

EVIDENCE APPENDIX

There is no evidence being relied upon by Appellant in the appeal.

RELATED PROCEEDINGS APPENDIX

No decisions have been rendered by a court or the Board in any proceeding identified pursuant to paragraph 37 C.F.R. 41.37(c)(1)(ii).